

Which way Nigerian banks?

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21 Jun 2007

Nigerian banks are having to face the selling and marketing challenges of post-consolidation blues.

Lagos - "Marketing" is the most popular word in Nigerian banking lexicon, but its use and application have continued to confuse the definition or time meaning of marketing.

It's so common to hear banker's say, "I'm going to market him/her...." It's almost become a synonym for selling, especially the quest for million naira deposits now reduced to a personal relationship matter, with dire consequences for depositors as failed banks dominated the handscapes, many customers hardly survived the malaise of the last decade.

Thanks to one man's decisiveness, initially criticized, Professor Chukwuma C. Soludo – Central Bank Governor's June 2004 decree on consolidation of the 89 banks to today's 25 following the December 31, 2005 deadline brought the true meaning of marketing home to banks, alongside the biggest cash hunt in Nigerian banking history.

The old order

Banks spent their marketing budgets on hiring fresh university graduates, raiding competitors for dashing young banking executives – mainly smartly dressed women and power dressing young men – and dishing out flashy cars with the unwritten but very clear message: "Put loads of cash in our banks".

Management tasked staff with securing millions of naira as monthly targets, which were often unrealistic. It didn't matter how they got it! Just get it – any way possible. Coercion and sanction were used and promotion was a function of how much you could "pull in".

The result is an unprecedented turnover of banking staff, intellect thrown to the dogs and survival of the "Most Successful Cash Hunter" and head hunting being the order of the day.

There were few attempts to advertise the banks and even less effort devoted to selling their products. The marketing departments were at best sales departments or existed in nomenclature. Corporate affairs/public relations were all about press conferences and press relations.

Unleash the "marketers"

The first response to the consolidation deadline was to unleash "the marketers" – this time the aim was to "roll in" the cash.

So huge initial public offers with further outrageous targets became the norm. Million became tens of millions, tens of millions became hundreds and hundreds became billions.

In the 18 months between the June 2004 proclamation and December 2005, virtually all bankers in Nigeria became “marketers”, their mission to convince everyone to buy shares, everything else suffered, banking ground to a halt, lending evaporated, businesses collapsed as banks ignored them.

They did advertise through, spending billion of naira mostly borrowed funds on bogus ads, billboards, hurried radio and TV commercials, newspaper ads with one message: “Please give us money,” some selling new banks with no discernable identity. Trust the ad agencies and PR agencies; they simply smiled to the bank. They gave them what they wanted... tons of advertising, exploiting all channels. It didn't matter that one ad agency handled 10 banks; they saw nothing wrong. Who could blame the agencies... this was payday. It reminds you the phrase by US president, George Bush's at the outset of the Afghan war “coalition of the willing”.

Branding was out of it as the banks formed alliances, broke up, and signed new memoranda of understanding (MOU) daily with new groups. It was mayhem: some survived, many did not, and some still suffering from identity crisis.

Post-consolidation

Alliances of strange bedfellows' unholy alliances, hurried nomenclature, culture shock and another round of heavy employee turnover as higher wages beckoned. These and more contrived to consign core marketing further to the background.

In its place emerged “super marketers” with fat salaries, large vehicles, billion naira targets and a different quest: what to do with the new-found money?

There was also the increased use of marketing agencies, advertising, branding and public relation as the banks began the search for identity with name changes, logo changes, and influx of non-core bankers as public affairs, corporate communication specialists and, for the first time, brand management executives.

A lot is changing but very little has detracted from the erroneous definition of marketing still pervading the bank space.

Mega banks – restoration

It's not all gloom as the emergence of the new mega banks and the big players attempt to surpass the 1 billion dollar mark now also stipulated by the big professor in Abuja, CBN governor Chukwuma C. Soludo - to be considered the mega manager of Nigeria's foreign reserves. The new marathon began with fresh public offers, massive branch expansions, brand building, distinct logos, consistent architectural and structural themes with trademark colour schemes, massive product developments, technological advancements, information technology upgrades, money transfers, introduction of cashless systems, credit cards, debit cards, Interswitch and other interconnection facilities, consumer banking imperatives, mortgage, car and household appliance leasing and acquisition schemes.

These seems to be a sudden realization of the true meaning of marketing, huge budgets almost rivaling those for FMCGs and telecommunications spend.

Banks are now launching new products, new promotions (sometimes multiple promotions), multiple ad campaigns; it's become more confusing keeping tabs as they attempt to outsmart each other's offering; and much more difficult separating the wheat from the chaff. They're all too similar; every new idea is immediately reproduced in different colours by others.

Now they promise to make us millionaires if we open accounts and maintain deposits of between 5,000 and 50,000 naira or we win cars or motor bikes, popularly called “okada”. The problem is: with a population of 140 million, what's the probability of being one of only 22?

On a positive note, sponsorships of reality shows, sports, arts, music, movies and lifestyle will enhance bonding with customers as will the development of measured and structured long-term strategic marketing plans. Most of all, there is a dire need for re-training and re-orientation of the staff.

Marketing encompasses a range of activities much more than simply involving cash and it should be articulated and evolved through a sustainable strategy.

In conclusion, it would appear that though the foreign banks like Standard Chartered, Citibank and Stanbic have greater consistency with branding, they have been quite shockingly conservative. It would be interesting to watch the new attempt to further consolidate banks, from 25 to 10.

This is well underway as is the quiet assimilation of the failed motley crew of the last exercise as the “cherry picking” big guns have quietly re-branded defunct Allstates and Lead bank to Ecobank, Trade Bank and Hallmark Bank soon to be UBA, and now vibrant Unity Bank's unique positioning as the beautiful bride for mergers and acquisitions.

It will be interesting to see what becomes of IBTC's famed brand equity in the face of its on-going merger with Stanbic's Standard Bank group from South Africa, after the unsuccessful attempt by another big duo of First Bank and Ecobank to merge.

Something else to see is if banks will wake up from the illusion that only one or two agencies can work for them. They need to see that in the main, when an agency has five banks, it will be difficult not to compromise.

Kudos to the Red Orchestras, UBA Group and Zenith, both painting the town red. Also to others like GT Bank innovative “Orange Rules” and “Bank on Wheels” as well as Bank PHB's future possibility, “One day cars will run on water” and the highly acclaimed intern show and not forgetting the musical banks: Intercontinental Bank's musical “Happy Customers! Happy Bank!” or Skye Bank's “Saying Yes” and Sterling Bank and Ecobank's and FCMB's “Ayaya Oh” musical have helped to reinforce the new direction. Hopefully, the banks will be on the same marketing page as MTN, Coca-Cola, Celtel etc, most of all, perhaps the advertising agencies, brand and other marketing consultants will begin to give the banks what they need, not what they want.

ABOUT EMEKA ENYADIKE

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